

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of

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GN Docket No. 25-133

COMMENTS OF BLOCK COMMUNICATIONS, INC.

Jason Rademacher
J.G. Harrington
Cooley LLP
1299 Pennsylvania Ave., NW
Washington, D.C. 20004

Its Attorneys

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TABLE OF CONTENTS

I. INTRODUCTION AND SUMMARY	1
II. THE COMMISSION SHOULD DELETE RULES THAT RESULT IN AN UNLEVEL PLAYING FIELD BETWEEN BROADCAST, CABLE, AND TELECOMMUNICATIONS PROVIDERS AND THEIR UNREGULATED COMPETITORS.	3
III. THE COMMISSION SHOULD ELIMINATE POINTLESS REPORTING AND PUBLIC FILE REQUIREMENTS.	9
IV. THE COMMISSION SHOULD SIMPLIFY UNNECESSARILY COMPLICATED RULES.	12
V. CONCLUSION	13

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COMMENTS OF BLOCK COMMUNICATIONS, INC.

Block Communications, Inc. (“Block”) hereby submits its comments in response to the Commission’s public notice in the above-captioned proceeding asking parties to “comment on deregulatory initiatives that would facilitate and encourage American firms’ investment in modernizing their networks, developing infrastructure, and offering innovative and advanced capabilities.”¹

I. INTRODUCTION AND SUMMARY

Block strongly supports the objective of this proceeding to identify unnecessary and counterproductive regulation for repeal. When it comes to regulatory requirements that stifle efficiency and innovation without providing any benefit to the public interest, Charter 47 of the Code of Federal Regulations is a target-rich environment. It is only a slight exaggeration to say that rather than sift through the regulations looking for rules to eliminate, the Commission should just repeal all of its rules and bring back the ones that any consumer misses. It would be a short list. But if the Commission can’t do that, a proceeding like this is a good way to begin delivering significant regulatory reform that will be good for consumers and good for America.

Block is one of the nation’s oldest communications companies, with roots going back more than 100 years. Today, it remains a family business, and is a diversified media company

¹ Public Notice, “In Re: Delete, Delete, Delete,” GN Docket No. 25-133, DA 25-219 (rel. Mar. 12, 2025) (the “Public Notice”).

with operations in broadband, commercial telecommunications, television broadcasting, newspaper publishing, and billboard advertising. This unusual breadth and experience gives Block a full perspective on the prevalence and unfortunate persistence of unnecessary and harmful Commission regulation. One thing Block has learned in 100 years of business in the Communications industry, it is that the business and its technology changes rapidly, bringing new previously unimagined levels of service to consumers and rendering old ideas obsolete. But the Commission's rules evolve at a glacial pace, simultaneously preserving obsolete ideas while failing to meet new challenges. This proceeding promises to change that, and 340 million Americans and the companies that serve their communications needs expect this to be a promise kept.

Block expects that trade associations and companies larger than Block will provide the Commission with lengthy lists of rules that should be jettisoned. And Block expects that it will support most of those requests. These comments seek to provide the Commission with a roadmap to the types of useless regulations that the Commission should review closely, with a few examples of specific regulatory requirements that the Commission should address. In particular, Block believes the Commission should focus on removing, as quickly as possible, rules that impede companies in competitive markets, rules that are unnecessarily complex, and reporting requirements that serve no useful purpose.

As the Commission proceeds through this process, Block urges it to keep in mind that all regulation, whether broadly applied or narrowly focused, imposes costs on business that are passed through to customers in the form of higher charges, fewer or less differentiated services, or fewer resources to support innovation and customer service. For that reason, the Commission should review each of its regulations closely, using the considerations outlined in the Public

Notice, to determine whether it provides enough benefit to overcome the costs it imposes.² In most cases, that balance will weigh against retention of a great deal of current regulation.

II. THE COMMISSION SHOULD DELETE RULES THAT RESULT IN AN UNLEVEL PLAYING FIELD BETWEEN BROADCAST, CABLE, AND TELECOMMUNICATIONS PROVIDERS AND THEIR UNREGULATED COMPETITORS.

Block operates in highly competitive businesses, notably video entertainment and telecommunications. Technological advances and changes in customer behavior – along with regulatory actions designed to spur competition – have upended these markets and rendered much of the regulatory framework obsolete. In this proceeding, the Commission should seek out and eliminate rules that create unnecessary burdens on specific participants in these competitive markets.

For example, cable operators labor under dozens of regulatory obligations that don't apply tech competitors like YouTube TV that are virtually indistinguishable from cable companies. These includes leased access obligations, mandatory carriage, good faith retransmission consent negotiations, program access rules, service tiering obligations, local franchising rules, network non-duplication, syndicated exclusivity, and the list goes on. Some of these obligations were established by Congress at a time when it was thought that cable television would monopolize the video industry. That didn't happen, and, instead, cable companies are so beset by competition that some have exited the video industry altogether. Those companies that continue to provide video service should be free to compete with satellite providers and new tech entrants on a fair and level playing field. Accordingly, the Commission

² Public Notice at 2-5.

should delete all rules to the extent consistent with the Communications Act that force cable operators to assume regulatory obligations that are not shared by other MVPDs.

The Commission also should take a close look at eliminating or paring back regulations that were designed to monitor and shape competition in the telecommunications and cable television industries.³ This includes the FCC's antiquated structural cable ownership rules, which should be repealed.⁴ These rules were built for a world that may have briefly existed in the twentieth century, when there was fear that cable operators might monopolize the video distribution industry. And the main restriction – the 30% national ownership cap – couldn't even survive review in that era, getting thrown out by the courts twice in the first decade of the twenty-first century.⁵ Yet the rule inexplicably remains on the books. Today, cable operators are constantly evaluating whether it even makes sense to use their physical plant for multichannel video services because the marketplace has become so competitive and their main competitors face practically no regulations at all. Trying to dissuade people from investment in cable television – which is the practical effect of structural ownership regulations – simply makes no sense today unless the Commission's object is to drive more and more cable providers from the multichannel video marketplace. The Commission should move to repeal all such rules immediately.

The Commission should also delete its new so-called “digital discrimination” rules.⁶ These rules are billed as a way to expand “fair” access to broadband for low-income and

³ In this review, however, the Commission also should be aware that some regulation, such as mandating interconnection between telecommunications carriers, is necessary to allow competition in the first place, and should be maintained.

⁴ 47 C.F.R. §§76.501 - .505.

⁵ See *Comcast Corp. v. F.C.C.*, 579 F.3d 1 (D.C. Cir. 2009); *Time Warner Entm't Co. v. FCC*, 240 F.3d 1126 (2001).

⁶ 47 C.F.R. §16.3.

minority communities, but only the government would think that the best way to expand access to a product is to regulate the way that product can be deployed, offered, and advertised. These rules are the worst kind of tax on broadband deployment – the kind that businesses like Buckeye have absolutely no way of calculating. Block is proud of its deployment of broadband services to customers of all income levels and backgrounds, and it offers service without discrimination against anyone for any reason. But the “digital discrimination” rules would allow the government to back-check Block’s infrastructure investments and product pricing to make sure they satisfy the political values of each passing Commission. No thanks. The 8th Circuit will almost certainly invalidate these rules, but the Commission needs not wait for that. It should promptly delete the “digital discrimination” rules and trust broadband deployment to the companies like Block that deploy broadband. Those rules should be replaced by rules that conform to the limited intent of Congress – barring intentional, provable discriminatory acts – when it required the Commission to address digital discrimination.

And while the Commission is at it, it should repeal what it can of Subpart N of the Chapter 76 governing cable rate regulation.⁷ While rate regulation is rare these days, it has absolutely no place at all in the modern multichannel video marketplace. Nationwide video providers including DBS and Internet streamers compete in every single market in the country without the threat of rate regulation while cable operators – and cable operators alone – remain under the threat of this regulation. While some of the regulations may need to be retained because of the structure Congress established in the 1984 and 1992 Cable Acts, much of Subpart N can be eliminated. The Commission should take that step and make clear to industry that there

⁷ See 47 C.F.R. §76.901, et seq.

is no basis at all for cable companies be subject to pricing restrictions that do not apply to their direct competitors.

Indeed, the Commission also should evaluate every rule that imposes requirements on Commission-regulated entities but not on their competitors to ensure that the rule does not create a competitive disadvantage for the regulated business. For example, last year the FCC adopted specific billing requirements for cable operators and DBS that no streaming provider must meet.⁸ There is no basis for Block's Buckeye Cablevision and MAXXSouth divisions to face billing requirements that do not apply to YouTube TV, which directly competes with Block's companies. Moreover, as then-Commissioner Carr and Commissioner Simington pointed out in their dissenting opinions, the rules were another power grab by the Biden/Rosenworcel administration, imposing requirements that went far beyond anything Congress authorized.⁹ Those requirements should be repealed immediately.

Another example of asymmetrical rules that create undue burdens are the limits on local ownership of broadcast television broadcast television stations serving small markets. Over-the-air broadcasters now face competition from myriad sources, including the very companies – the Big 4 networks – that provide and charge exorbitant rates for the programming that local television stations broadcast. Broadcasters face competition from cable (with multiple cable operators in some markets), DBS, so-called “virtual MVPDs” that look exactly like cable and DBC providers like YouTube TV, independent streaming services like Netflix, Amazon Prime Video, and Apple TV+, services affiliated with broadcast networks like Hulu, Paramount+, and Peacock, and countless Internet video aggregators. At the end of 2024, streaming services

⁸ All-In Pricing for Cable and Satellite Television Service, *Report and Order*, MB Docket No. 23-203, FCC 24-29 (rel. Mar. 19, 2024).

⁹ *See id.* (dissenting statements of then-Commissioner Carr and Commissioner Simington).

accounted for more than 43% of all video viewing, up 7.4% from the end of 2023, while cable accounted for close to 24% and over-the-air broadcast accounted for 22.4%.¹⁰ Just three online services – YouTube TV, Netflix, and Amazon – have more viewership than all of broadcast television. As their audiences have declined, broadcasters now face additional competition for advertising from online sources, including search engines and targeted advertising on websites and in apps, as well as streaming services with ad-supported tiers. This competition hits hardest in small markets that have limited revenue opportunities to begin with.

Despite all this competition and the surfeit of consumer choice, the Commission persists in applying to all local broadcasters, regardless of market size, structural ownership rules that have their roots in radio broadcasting of the 1940s. And, in a move that would baffle any sane person, just two years ago the Commission – faced with the reality that regulated broadcasters continue to lose viewers and advertisers to their largely unregulated competitors – *expanded* its local ownership rules to prohibit additional efficient local station combinations, even in markets that can't support multiple full-power, news-producing television stations. This madness must stop, and a simple example from Block's experience shows why.

In the Lima, Ohio Designated Market Area, Block owns a full power television station (WLIO(TV)), and three Class A television station (WOHL-CD, WAMS-CD, and WPNM-CD). Lima is a tiny DMA, ranked 190th out of 206 nationwide, with less than 70,000 television households, and just two full power television stations. (Block owns one and the other is a religious station.) To ensure Lima viewers have access to a local network affiliate of all four major networks, Block provides program streams affiliated with each network on its full power

¹⁰ See Daniel Frankel, "Streaming took a bite out of cable's TV usage share in December," StreamTV Insider, Jan. 23, 2025, *available at* <https://www.streamtvinsider.com/video/streaming-took-bite-out-cables-tv-usage-share-december#>.

and Class A stations. This seems only fair. Viewers in Lima, Ohio should have the same access to programming that viewers in New York or Los Angeles have. But the Commission's recent changes to the duopoly rule would make it unlawful for Block to assemble four network affiliations in a market today, regardless of whether those program streams are broadcast on full power, low-power, or Class A stations. The rule does not force Block to divest its current affiliations, but if it ever wants to sell its stations, that would require a waiver.

To be blunt, Block or anyone else could own all of the television broadcast spectrum in the Lima DMA and it wouldn't pose any danger to any consumer or business in the market. Consumers would retain access to hundreds of other choices for video programming and advertisers would have countless other places for their local advertisements. More to the point, if the Commission enforced its new rule against Block, Lima viewers would lose over-the-air access to three of the four major broadcast networks. Needless to say, that result would not benefit anyone.

In 1996, Congress directed the Commission to review its structural ownership rules periodically and to revise or repeal them as competition warranted. The competition arrived, but most of the rules persist. Indeed, it took the Commission two decades and a ruling of the Supreme Court to finally eliminate the newspaper/broadcast cross-ownership rule, years after most small-town dailies had failed. Block sincerely hopes that it won't take as long to relax the local television ownership rule in small markets. This proceeding should be the first step to that end.

This is by no means an exhaustive list of the many, many Commission rules that create an unlevel playing field and, intentionally or not, involve the government in picking winning and losing competitors rather than letting consumers do that. But it is a good guide to places to start

and Block encourages the Commission to repeal these rules and identify others that have the same negative effect on the competitive market and, ultimately, consumers.

III. THE COMMISSION SHOULD ELIMINATE POINTLESS REPORTING AND PUBLIC FILE REQUIREMENTS.

The Commission's Rules are rife with burdensome and expensive reporting requirements for broadcasters, cable operators, and telecommunications companies that fulfill no useful function in the modern communications marketplace. While the Commission has periodically reviewed these requirements, it has been more than a decade since the Commission performed anything like a comprehensive review. The Commission should undertake such a review now, with a specific focus on whether the rule (1) is authorized by statute and (2) serves an important Commission goal or a clear consumer interest. Any reporting requirement that does not satisfy both of these standards should be eliminated.

One example of such a report is the annual report on customer proprietary network information ("CPNI"), which must be submitted by every company that is subject to the CPNI rules. This report must include a certification that the company has procedures in place to protect CPNI, information regarding any efforts by data brokers to obtain CPNI, and a summary of all CPNI complaints received in the prior year. From the public record, it appears that this reporting requirement has not led to any enforcement actions – or other actions – related to reports that companies have filed, and that there have been almost no enforcement actions concerning these reports or related matters in the last ten years. Further, the Commission does not appear to have done anything with these filings except to check to see whether they were submitted, as there have been no Commission reports or other actions based on the data in the filings; even the enforcement actions addressed only whether the reports had been filed.

There is no reason to maintain a reporting requirement if the information in the reports is not used for anything. In this case, while Block and other companies prepare and submit their certifications in good faith, the Commission's failure to make use of them has turned them into box-checking exercises, which expend company resources (and at least some Commission resources) for no benefit to the companies, their customers, or consumers in general. This is the epitome of a requirement that should be eliminated. Indeed, the Commission already has eliminated it once, only to have it revived when Congress overturned a set of much broader CPNI rule changes in 2017.¹¹

Another good example is broadcast "Issues and Programs" reporting.¹² With its roots in the Commission's long-past comparative hearing days, this rule serves no useful purpose for the Commission or viewers. The idea is that each station must, on a quarterly basis, identify issues of concern in their communities and the programming they aired to address those concerns. Now, Block understands it is the Commission's job to ensure that licensees are serving the public interest in their communities. But for stations like Block's that air local news every day of every week of every year of their license terms, this is nothing but a make-work assignment. Block stations cover local news and distribute emergency information to serve their communities' information needs. Creating an ex post list of the issues that proved to be important and the programming aired in response to those issues is a pointless exercise. And the list simply goes

¹¹ See Joint Resolution, Pub. L. No. 115-22, 131 Stat. 88 (2017) (Resolution of Disapproval) (overturning 2016 privacy rule order). While the Congressional Review Act prohibits the Commission from substantially reviving a regulation that was rejected by Congress and the President, that would not be the case for the CPNI certification. First, elimination of the certification was only a minor part of the decision that was overturned. Second, elimination of CPNI certification was not a new regulation, but the elimination of one. Third, the Commission has independent forbearance authority under Section 10 of the Communications Act. 47 U.S.C. § 160(a).

¹² See 47 C.F.R. §73.3526(b)(11)(i).

into a station's public inspection file where no one sees it at all. Then, at license renewal time, the Commission checks whether the reports were filed. If so, a box is checked. If not, the Commission issues a fine or admonishment. So, the Commission's rule creates a job for broadcasters to perform, which then creates job for the Commission staff to perform. There is no substance to any of it. This is a requirement that genuflects to the past and serves absolutely no purpose today. In short, it is exactly the kind of rule this proceeding should be working to delete.

Examples of this kind of useless record-keeping requirements also abound in the Commission's cable regulations. Section 76.1700 requires cable operators to maintain a long list of documents in a publicly available file. Of course, the Commission has always been well aware that these files are rarely, if ever, accessed by the public. It should come as no surprise to the Commission that the public has little or no interest in leased access, which channels are carried pursuant to must-carry, or the other items required to be kept in the public file for cable operators. And, since cable operators don't face license renewal, cable operators can't even be sure any of this information will ever be reviewed by anyone other than the employee it has to pay to maintain it. When people say they hate the government, this is exactly what they are talking about. The Commission should closely examine which records cable operators are required to maintain by statute, which the Commission actually needs to perform one of its appointed tasks, and which serve consumers. Based on that analysis, Block is certain that the Commission can eliminate all but a handful of the wasteful record-keeping requirements the Commission has imposed on cable operators over the years.

In reviewing its record-keeping and reporting requirements, the Commission should keep in the front of its mind that all of these requirements have real costs that ultimately lead to higher prices for consumers. Block shares with the Commission the desire to make sure that the public

interest is served. But that happens only when the Commission's regulatory requirements serve an identifiable purpose established by Congress. In too many cases, the Commission's reporting and recordkeeping rules can't meet that standard and should be deleted.

IV. THE COMMISSION SHOULD SIMPLIFY UNNECESSARILY COMPLICATED RULES.

The Commission also has many rules that are difficult to implement despite relatively straightforward purposes. Two good examples are the Commission's new broadcast foreign sponsorship identification ("FSID") rules and its broadband labelling rules. The FSID rules have the good and salutary intent of keeping foreign propaganda off of U.S. airwaves. That is a principle everyone agrees with and should be pretty simple to ensure. Instead, the Commission's overly complex rules were already overturned by the courts once and likely will be again.

Similarly the broadband labelling rules are supposed to help consumers to know what they are paying for from broadband providers.¹³ No one objects to that. But the Commission designed a regulatory regime that is so technically complex it is almost impossible to comply with, and most instances of non-compliance will have no negative impacts on consumers at all. For example, if a company provides a correct label to consumers through a URL rather than a QR code, the rule will be violated. If a label is not archived for two years, the rule will be violated. If the label isn't provided in a "machine readable" format, the rule will be violated. Congress gave the FCC a simple directive: provide consumers with information on their services

¹³ As the order adopting the broadband label rules explained "[T]he Infrastructure Act directs the Commission to require broadband Internet service providers (ISPs or providers) to display, in the form of labels, certain information regarding their broadband Internet access service plans. The law further provides that the labels shall make clear whether the offered price is an introductory rate and, if so, what the consumer must pay after the introductory period ends." *Empowering Broadband Consumers Through Transparency, Report and Order and Further Notice of Proposed Rulemaking*, 37 FCC Rcd 13686, 13687 (2022).

and pricing. The rest of these rules are just surplusage that limit the flexibility of broadband providers to find the best way to provide labels to consumers, and go beyond the simple mandate in the legislation that required the Commission to adopt broadband labels in the first place.

Rules like these have multiple negative effects on regulated businesses. First, businesses have to devote resources to understanding rules that should be simple. Second, unnecessarily complicated rules drive companies to adopt overly conservative approaches for fear of becoming subject to enforcement action, even when that is not the purpose of the rule. Third, companies are more likely to violate complicated rules – or at least the Commission’s interpretation of those rules – because they are more likely to be misunderstood. Each of these concerns imposes unnecessary costs on regulated businesses, and, ultimately, on consumers.

V. CONCLUSION

For all these reasons, Block requests that the Commission take action consistent with these comments.

Respectfully submitted,

Block Communications Inc.

By: _____/s/

Jason Rademacher

J.G. Harrington

Cooley LLP

1299 Pennsylvania Ave., NW

Washington, D.C. 20004

Its Attorneys

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